GOVERNMENT OF INDIA
FOOD PROCESSING INDUSTRIES
LOK SABHA

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SHARE OF FOOD PROCESSING INDUSTRY IN WORLD TRADE
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Will the Minister of FOOD PROCESSING INDUSTRIES be pleased to state:

(a) whether despite being a major producer of vegetables and fruits the share of this country is almost negligible in the Food Processing Industries of the world;

(b) if not, the India's share in the Food Processing industries of the world during the last three years;

(c) the reasons of less share therefor;

(d) the steps taken by the Government to increase this share; and

(e) the success achieved by the Government so far?

Answer

MINISTER OF THE STATEIN THE MINISTRY OF FOOD PROCESSING INDUSTRIES (I/C) (SHRI SUBODH KANT SAHAI)

(a) to (e): India is the second largest producer of fruits and vegetables in the world. However, India's export of processed food in global trade is only 1.5%. Non availability of adequate infrastructure facilities, lack of adequate quality control and testing facilities, non- availability of sufficient quantity of raw materials of processable varieties, lack of continuous product innovation and ability to deal in volumes, high packaging cost etc. are some of the reasons of India's low share of food processing industries in the world.

Ministry of Food Processing Industries provides financial assistance in the form of grant under the Scheme of Technology Upgradation/ Modernization/ Establishment of food processing industries for promotion of fruits & vegetables processing units. Under this Scheme, the Ministry extends financial assistance to food processing units in the form of grant-in-aid @ 25% of the cost of Plant and Machinery and Technical Civil Works subject to maximum of Rs. 50.00 lakhs in general areas or 33.33% subject to maximum of Rs. 75.00 lakhs in difficult areas. In order to ensure speedy disbursement of the financial assistance. The Ministry has decentralized the disbursement procedure through banks under the Scheme of Technology Upgradation/ Modernization/ Establishment of food processing industries w.e.f. 01.04.07. Besides, under Mini Mission IV of Technology Mission of Integrated Development of Horticulture in North Eastern States, Sikkim, J&K, Uttrakhand and Himachal Pradesh, higher level of assistance @ 50% upto Rs. 4 crores for promotion of new units and upto Rs. 1 crore for upgradation / modernization of units is available for processing of horticulture produce.

Since one of the major constraints for low level of processing in agro-food products is lack of infrastructure such as cold chain facilities and inefficient supply chain, the Ministry has developed comprehensive Cold Chain Infrastructure Scheme, during the XI Plan, for creating integrated cold chain infrastructure at different levels- farm level primary processing centre-cum-cold chain, collection/ aggregation centres and Strategic Distribution Centres. The initiative being undertaken by the Ministry are aimed at filling the gaps in the supply chain, strengthening of cold chain infrastructure leading to overall development of food processing industries and reduction in wastages.

Ministry has also identified thrust areas for strategic intervention for the 11th Plan, by establishing Mega Food Parks, Cold-chain/ value addition and preservation infrastructure, capacity building by setting up of National Institute of Food Technology, Entrepreneurship & Management (NIFTEM) and establishment / upgradation of Quality Control Laboratories, which could result in increasing the level of processing, value addition of food products, including perishables.

The export of processed fruit and vegetable products has increased from 385984.29 MT (Rs. 1100.57 crores) during 2001-02 to 501826 MT (Rs. 1359.54 crores) during 2005-06.